

By: Carona

S.B. No. 698

A BILL TO BE ENTITLED

AN ACT

relating to the refund of unearned premium for a personal automobile or residential property insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 558.002, Insurance Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) An insurer shall refund the appropriate portion of any unearned premium to the policyholder not later than the 15th business day after the effective date of cancellation or termination of a policy of personal automobile or residential property insurance, as those terms are defined by Section 2301.051.

(e) For purposes of this section, "business day" means a day other than a Saturday, Sunday, or holiday recognized by this state.

SECTION 2. Section 558.002, Insurance Code, as amended by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after September 1, 2013. A policy that is delivered, issued for delivery, or renewed before September 1, 2013, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2013.